

**MANAGED HEALTH CARE IMPROVEMENT TASK FORCE
APRIL 22, 1997 REGULAR BUSINESS MEETING MINUTES**

As adopted by the Task Force on May 8, 1997.

**Tuesday, April 22, 1997
1201 K Street, 12th floor - California Room
[California Chamber of Commerce Building]
Sacramento, California 95814
1:00 P.M.**

I. CALL TO ORDER [Chair, Alain Enthoven] - 1:10

The first business meeting of the Managed Health Care Improvement Task Force [Task Force] was called to order by Chair, Dr. Alain Enthoven, at the California Chamber of Commerce on Tuesday, April 22, 1997.

II. OPENING REMARKS - 1:15

A. Welcoming Remarks by Governor Pete Wilson

Governor Pete Wilson was introduced by Chairman Enthoven. The Governor discussed his view on the future of California's Managed Health Care System and addressed the Task Force on his hopes for Task Force accomplishments issues regarding managed care. [The Governor's press release is attached.]

III. ROLL CALL AND DECLARATION OF A QUORUM - 1:20

Task Force Secretary, Ms. Jill McLaughlin, took roll. The following Task Force members declared they were present: Dr. Bernard Alpert, Dr. Donna Conom, Ms. Barbara Decker, Mr. Alain Enthoven, Dr. Bradley Gilbert, Mr. Terry Hartshorn, Mr. William Hauck, Dr. Michael Karpf, Mr. Clark Kerr, Mr. Peter Lee, Ms. Kathryn Murrell, Mr. John Ramey, , Dr. Helen Rodriguez-Trias, Ms. Ellen Severoni, Dr. Bruce Spurlock, Mr. David Tirapelle, Mr. Ronald Williams, Mr. Alan Zaremborg, and Mr. Steven Zatin.

The Secretary noted the following Task Force members were also present after roll call was taken: Assemblyman Martin Gallegos, Mr. Anthony Rodgers, Ms. Diane Griffiths, and Ms. Maryann O'Sullivan.

In addition, the following ex-officio members were present: Ms. Kim Belshe, Ms. Marjorie Berte, Mr. Keith Bishop, Dr. David Werdegar, Senator Herschel Rosenthal, and Mr. Michael Shapiro.

Chairman Enthoven declared a quorum was present.

B. Chairman, Alain Enthoven [cont. of Opening Remarks]

Chairman Enthoven discussed his perspective on managed care in California's past and present. He believes, "the best interest of Californians will be served by a set of public and private policies and institutions that work together to encourage and support a process and continuous improvement; higher quality of customer satisfaction, greater accessibility, and lower costs."

C. Assembly Member Richter, Author AB 2343 [ch. 815, stats. Of 1996] [cont. Opening Remarks]

Assemblyman Richter shared a few words with the Task Force on how AB 2343 derived, and his vision for the Task Force. Specifically, Assemblyman Richter stated that it was his intent with AB 2343 to develop for policy makers a sound definition of how managed care actually works, describe the history of how California's managed care system was born, and how it evolved.

IV. INTRODUCTION OF THE MEMBERS - 1:45

Chairman Enthoven asked each Task Force member to introduce him or herself and to share their expectations of the Task Force. All present Task Force and Ex-officio Task Force members complied with the Chairman's request.

D.Dr. Mark Smith, California Health Foundation [cont. of Opening Remarks]

Chairman Enthoven introduced Dr. Mark Smith, President and CEO of California Health Foundation, and invited him to address the Task Force. Dr. Smith encouraged the Task Force to "pass down a work order for the California Health Foundation" (as the foundation is currently in strategic planning mode). Dr. Smith further suggested that the Task Force always ask the question "how do you know?" as it relates to comments it receives related to managed care and not to simply accept commonly held generalizations related to health care not borne out by facts.

E. Executive Director, Dr. Philip J. Romero and Task Force Staff [cont. Opening Remarks]

Dr. Romero introduced Task Force staff and addressed several housekeeping issues, including a status report on the legislative appointments to the Task Force and compliance with the Fair Political Practices Commission. The FPPC is currently determining whether Task Force members will be subject to state disclosure laws, so until they so indicate, Task Force members need not complete the FPPC's forms for the Task Force.

V. NEW BUSINESS - 2:20

A. Adoption of the Task Force Bylaws and Rules

Chairman Enthoven briefly discussed the Task Force Bylaws and Rules and asked for a motion to adopt them. Mr. Kerr moved that the Task Force Bylaws and Rules be adopted, and Dr. Spurlock seconded the motion. After no discussion, the Bylaws and Rules were unanimously adopted.

B. Nomination and election of a Task Force Vice-Chairman

Chairman Enthoven announced that the next order of business was to nominate a vice-chair for the Task Force. Mr. Zarkin moved to nominate Mr. Clark Kerr as Vice-Chair, and Ms. Decker seconded the motion. No other nominations were made, and Mr. Kerr was unanimously elected as Task Force Vice-Chair.

C. Discussion and adoption of the Task Force Mission Statement and Discussion and adoption of the Task Force Workplan Schedule

Chairman Enthoven announced the next order of business was to adopt the proposed mission statement for the Task Force. After much discussion, it was moved by Mr. Rodgers and seconded by Ms. Griffiths that the Task Force schedule a separate meeting on May 8, 1997 to take action on the proposed mission statement and the proposed workplan schedule. The premise for this motion was to allow the full compliment of Task Force members to vote on these issues [the Senate had not yet appointed its members to the Task Force]. The motion was unanimously adopted.

Chairman Enthoven then asked for a motion to defer the adoption of the proposed mission statement and the proposed workplan until the May 8, 1997 meeting. Mr. Lee moved for the referral of both items to the May 8, 1997 meeting and Ms. Severoni seconded it. The motion was unanimously adopted.

VI. REPORTS - 3:20

A. Legislative Update [Alice Singh, Deputy Director for Legislation & Operations]

Ms. Singh gave a brief synopsis of the legislative process and discussed the parameters of AB 227 [Richter, currently pending before the legislature] which would, if enacted, authorize the Task Force members to receive financial reimbursement for travel costs associated with attending Task Force meetings.

B. California's regulation of managed care [representatives from the State Departments of Health Services, Insurance, and Corporations].

>Mr. Keith Bishop, Commissioner, Department of Corporations, described the regulatory role of the Department of Corporations in managed care.

>Ms. Ann Kuhns, Chief of the Medi-Cal Managed Care Division, Department of Health Services, discussed the Department of Health Services regulatory role in managed care.

>Mr. David Knowles, Deputy Commissioner, Department of Insurance, discussed the regulation of health indemnity insurance and the departments relationship with health care.

C. A comparison of California's managed care regulation with other states [California Research Bureau]

Mr. Elias Lopez, Ph.D., California Research Bureau, discussed how health care coverage is regulated in California in relation to other states. [notes are available upon request]

D. Health care service plans: concerns regarding California's regulation of managed care

Ms. Myra Snyder, RN, President and CEO of California Association of Health Plans, illustrated the plans concerns regarding California's regulation of managed care. Specifically, Ms. Snyder discussed consumer protection, regulation options, and the Knox-Keene act in relation to managed care. [notes are available upon request]

E. Consumers: concerns regarding California's regulation of managed care

Ms. Maryann O'Sullivan, Project Director for Health Access's Medi-Cal Community Assistance Project, and newly appointed Task Force member, briefed the Task Force on the consumers' perspective of California's managed care system.

F. Mr. Steve Thompson, California Medical association [CMA]

Without objection, Chairman Enthoven invited Mr. Steve Thompson to speak on CMA's perspective of California's regulation of its managed care system. Mr. Thompson cited an interim hearing conducted last year by the Assembly Insurance Committee which was held to address this and similar issues. He further encouraged the Task Force to define the function of managed care regulation. [note are available upon request].

Chairman Enthoven thanked the speakers and announced that the Task Force had concluded its business and that the floor was then open for public comment. Seeing no public comment, Chairman Enthoven reminded Task Force members about the public hearing on May 1, 1997 in El Segundo and asked members to submit their names to Ms. Stephanie Kauss or Ms. Jill McLaughlin if they were planning to attend.

VII. ADJOURNMENT - 4:50

Mr. Rodgers moved to adjourn the meeting and Mr. Lee seconded the motion. The meeting was adjourned by unanimous consent at 4:50pm.

NOTES:

- **The April 22, 1997 Task Force meeting was audio taped. To schedule an appointment to listen to the tapes at the Task Force's Sacramento office, please contact Ms. Stephanie Kauss at (916) 324-1711.**
- **Information regarding Managed Health Care Improvement Task Force meetings may be obtained by writing the Task Force administrative assistant, Ms. Jill McLaughlin, at 1400 Tenth Street, Room 206, Sacramento, California 95814 or calling (916) 324-1711.**